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RUEHBU/AMEMBASSY BUENOS AIRES 4344
RUEHCV/AMEMBASSY CARACAS 1635
RUEHPE/AMEMBASSY LIMA 1629
RUEHMN/AMEMBASSY MONTEVIDEO 3850
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STATE FOR WHA/AND L.PETRONI
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TAGS: [EAGR](#) [ECON](#) [ETRD](#) [USDA](#) [USTR](#) [BL](#)
SUBJECT: AGRICULTURE MINISTER ON APHIS AND LAND REFORM

REF: A. STATE 95277

[1](#)B. LA PAZ 1517
[1](#)C. LA PAZ 1337

[1](#)1. (SBU) Summary: Econoff delivered talking points from ref A on APHIS regulatory changes to Minister of Agriculture Salvatierra on June 16. Salvatierra claimed that the MAS and its land reform program had capitalist, not socialist, goals promoting production and efficient land use. He indicated that the GOB would seek to redistribute land held by cattle ranchers in the East, as well as land held by Brazilians who were violating Bolivian regulations. He demonstrated his western/highlander bias by arguing that migrants from the western highlands and foreigners developed Santa Cruz, rather than eastern natives, and blamed the GOB-business dialogue failure (ref B) on the businesses' lack of unity and direction. Although the 2.2 million hectares of government land being distributed to indigenous communities does not include national parks and protected areas, it does include forestry concessions owned by businesses that employ 5,000 people. Salvatierra concluded that the GOB's next steps would be redistributing privately-held idle land and implementing expedited titling procedures. End summary.

Talking Points on Proposed APHIS Changes Delivered

[1](#)2. (U) Econoff delivered talking points from ref A along with additional information from APHIS' website to Minister of Agriculture Hugo Salvatierra on June 16. The Minister said that the Ministry would review the proposed changes and respond prior to the June 26 deadline if they had comments.

Minister Claims MAS Has Capitalist Goals

[1](#)3. (SBU) Salvatierra told Econoff that the President's political party, the Movement Towards Socialism (MAS), had a capitalist program, not a socialist one (despite the name). He claimed that the GOB's agrarian reform plan (ref B) was aimed at promoting production and efficient use of land, and that the large landholders in the eastern departments of

Santa Cruz, Pando, and Beni were not capitalists. He added that because many of these large landholders had received their vast estates for next to nothing and paid almost no land taxes, they had not invested in them and not utilized them as capitalists would. He further stated that cattle ranchers, particularly in Beni and Pando, needed to modernize their production. He explained that these ranchers claimed they needed 22 hectares per head of cattle, which the GOB viewed as excessive, unproductive use of land -- implying that the GOB would attempt to redistribute rancher lands.

The East-West Divide

¶4. (SBU) Salvatierra argued that Santa Cruz natives were not productive, but merely held monopoly power over markets and commerce. He said that 40 percent of agricultural production in Santa Cruz was by peasant farmers that had migrated from the highlands, and another 40 percent was by foreigners (Mennonites, Brazilians, Russians, etc.). He demonstrated his western/highlander bias by arguing that these people were responsible for the development of the East, not Santa Cruz natives. He said that the dialogue with large agriculture business associations had broken down because the businessmen "did not know what they wanted" and were not unified.

Brazilian Soy Farmers

¶5. (U) Salvatierra explained that many Brazilians had purchased or were renting Bolivian land, because land in Bolivia was five times less expensive than in Brazil. (The Brazilian Embassy told us previously that 115 Brazilian-owned farms produced 60 percent of Bolivia's soy (ref C).) Many of these Brazilians, he said, were harming the environment or violating regulations and would thus be subject to losing their lands. He assured us that those Brazilians who were following Bolivian laws and regulations would not have their lands taken away.

Redistributed Government Land Includes Forestry Concessions

¶6. (U) Salvatierra said that the 2.2 million hectares of government lands that were being distributed to farmers and indigenous communities (ref B) did not include land from national parks or protected areas, but did include land being used in certified forestry production. He recognized the importance of maintaining environmentally-sound practices in these areas. The Bolivian Forestry Chamber told us that the National Agrarian Reform Institute (INRA), the government body in charge of titling, recently issued five resolutions ceding eight forestry concessions to indigenous communities. The eight affected forestry businesses, which employ 5,000 people, claim that the resolutions violate their legal rights under the Constitution and Forestry Law, putting into danger all forestry concessions, respect for the rule of law, and local employment.

The Next Steps in Land Reform

¶7. (U) Salvatierra told us that in addition to distributing government-owned land, the GOB intended to redistribute idle privately-owned land to the landless under the current land law, a step likely to engender significant conflict. The Constitutional Assembly would likely undertake a revision of the 1996 Agrarian Reform Law, he said. He added that his office was working on updating land titling procedures, which should be completed within a week. The expedited procedures would allow applicants to obtain title within six months, compared to more than two years under current procedures, he explained.

¶8. (SBU) Comment: The GOB's recent land reform measures will surely boost its popularity among the masses, but are likely to generate increasing regional conflict, particularly as land redistribution begins. The redistribution of land over which forestry businesses held concessions to indigenous communities without discussion or compensation is a bad omen for Bolivia's world-leading certified forestry sector and private property rights. End comment.

